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STATE OF CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

JOINT	PETI	TION	OF	IMP	ERIA	L IRR	UGA	TION
DISTRI								
AUTOR								
TRANS	FER	OF	CON	SERV	VED	WAT	ER,	ETC.
UNDE	R PER	MIT	NO.	7643	(APF	PLICA	LION	1 NO.
7482)								

COUNTY OF IMPERIAL EXHIBIT 3A

SUPPLEMENTAL WRITTEN TESTIMONY OF

STEVEN E. SPICKARD

SUPPLEMENTAL TESTIMONY OF STEVEN E. SPICKARD

- 1. This testimony supplements that submitted to the State Water Resources Control Board (SWRCB) on April 10, 2002. The point of this supplemental testimony is to describe mechanisms through which Imperial County could be damaged fiscally, and to suggest that mitigation for any damage that is allowed to occur as a result of the design and administration of the water conservation/transfer program should be paid for by those who benefit from the program.
- 2. Over the long run, fallowing will reduce property values. Even temporary fallowing programmed into crop rotation will reduce income derived from a field, ultimately reducing its value as farmland. Permanently fallowing a field will dramatically reduce its value. Perhaps farmers will be adequately compensated for reduced farm values through transfer payments, but the community at large will also suffer through a reduction in property tax revenue. School districts, municipalities, and Imperial County will be the hardest hit by declining revenues. The assessed value of agricultural land in Imperial County is currently \$1.08 billion. If a roughly ten percent reduction in water availability achieved through fallowing caused only a modest five percent reduction in agricultural property values, over \$450,000 in local government revenues would be lost, even after taking into account the maximum tax advantages of land currently in Williamson Act contracts. Shrinkage of the economy, including employment reductions due to fallowing, will further reduce sales tax collections and other revenues to local governments in Imperial County.

3. The EIR/EIS identifies a potential job loss of 1,400 due to transfer and conservation by fallowing, even before considering the additional job losses associated with fallowing for IOP impacts, HCP impacts within the IID water service area, and the economic decline of the Salton Sea area. Socioeconomic impacts cannot be fully measured by just the loss of jobs affecting those who were formerly employed. The entire community in Imperial County will bear some increased burden through the governmental costs of providing job training and public assistance payments, and potentially through the costs of dealing with increased crime, domestic stress, and other social problems derived from high unemployment. Mitigation for these impacts could be provided in two ways. To the extent that fallowing is used to free up water for transfer, the effects of increased unemployment could be monitored and mitigated through increased funding for public programs after the fact. As an alternative, water conservation practices that invest in infrastructure could be used to ensure that jobs are not lost in the first place.

- 4. Any reduction in air quality will have socioeconomic costs as well as environmental costs. The household sector of the economy will suffer costs associated with health problems and costs of mitigating airborne particles in their homes and workplaces. The public sector will suffer reduced revenues from declining property values, and increased costs of public health.
- 5. To the extent that Imperial County or the other governmental jurisdictions within its borders suffer lower revenues or higher service costs as a result of the water transfer program, compensation for this damage should come from the beneficiaries of the

program. SDCWA is proposing to pay \$250 per acre-foot for the water transferred. Although further analysis would be necessary to estimate the value of water in the San Diego economy, most likely it is worth significantly more than \$250 per acre-foot. The simple ratios presented in the table in Attachment A are indicative of the high value of additional water if made available in the San Diego economy. Water is only one of many inputs to production in San Diego's urban economy, and the point of this exercise is that at \$250 per acre-foot, water is a relatively inexpensive input. If transferring water causes harm to third parties in Imperial County, there should be the ability to charge somewhat more than \$250 per acre-foot for water made available to San Diego.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 13, 2002, at San Francisco, California.

STEVEN E. SPICKARD

Attachment A SIZE OF THE SAN DIEGO COUNTY ECONOMY RELATED TO WATER CONSUMPTION

For the Year 2000, Expressed in Constant 2000 Dollars

Total Water Consumption ¹	695,000 Acre-Feet
Real Gross Regional Product ²	\$164,000 per Acre-Foot
Real Personal Income ³	\$127,000 per Acre-Foot
Jobs Supported ⁴	1.8 per Acre-Foot
Population Supported ⁵	4.2 per Acre-Foot

¹San Diego County Water Authority for 2000.

Source: As noted with Economics Research Associates analysis.

²SANDAG 2020 Regionwide Forecast: \$114 billion in 2000 dollars.

³SANDAG 2020 Regionwide Forecast: \$88 billion in 2000 dollars.

⁴SANDAG 2020 Regionwide Forecast: 1,279,200 civilian employment in 2000.

⁵SANDAG 2020 Regionwide Forecast: 2,911,000 population in 2000.

STATE WATER RESOURCES CONTROL BOARD IID-SDCWA PETITION FOR LONG-TERM WATER TRANSFER

I, Antonio Rossmann, hereby declare as follows:

I am over the age of 18 years and am not a party to the within action. My business address is 380 Hayes Street, Suite One, San Francisco, California 94102.

On 30 April and 1 May 2002, I served **EXHIBIT 4**, on 10 May and 13 May 2002, I served **EXHIBIT 1A** and on 14 May and 15 May 2002, I served **EXHIBIT 3A** by hand delivery to the persons on the attached Imperial Irrigation District Interested Parties list, and by electronic mailing to those persons whose electronic addresses appear on the attached list.

3y:

Antonio Rossmann

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